

Message Text

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ORIGIN XMB-07

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DRAFTED BY: AMOHANIAN/TP

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DON BOSTWICK, EXECUTIVE VICE PRESIDENT EUR/IB-HYMCCOWN

EB/IFD/ODF-EMLINTON

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FM SECSTATE WASHDC

TO AMEMBASSY MADRID

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E.O. 11652: N/A

TAGS: APUB, SP

SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO SPAIN

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
LOANS TOTALING DOLS 58,440,000 TO IBERIA, LINEAS AEREAS
DE ESPANA (IBERIA) OF MADRID, SPAIN. RELEASE IS SCHEDULED
FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS,
WEDNESDAY, AUGUST 15, 1973.

QUOTE: EXIMBANK SUPPORTS DOLS 146.1 MILLION SALE
OF U.S. JET AIRCRAFT TO SPAIN

TO SUPPORT SALES TOTALING DOLS 146.1 MILLION FOR U.S. JET
AIRCRAFT WITH RELATED GOODS AND SERVICES TO IBERIA, LINEAS
AEREAS DE ESPANA (IBERIA) OF MADRID, SPAIN, THE BOARD OF DIREC-
TORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHOR-
IZED TWO DIRECT LOANS TOTALING DOLS 58,440,000 TO FINANCE
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40 PERCENT OF THE U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN

HENRY KEARNS.

ONE EXIMBANK LOAN OF DOLS 38,560,000 WILL FINANCE 40 PERCENT OF THE TOTAL COSTS OF DOLS 96.4 MILLION FOR THE PURCHASE OF 11 BOEING 727-200 JET AIRCRAFT WITH RELATED GOODS AND SERVICES.

ADDITIONAL FINANCING OF DOLS 32,294,000 WILL BE PROVIDED FROM PRIVATE NON-U.S. SOURCES NOT YET DESIGNATED TO FINANCE 33.5 PERCENT OF THE U.S. COSTS AND DOLS 15,906,000 FROM PRIVATE U.S. SOURCES NOT YET DESIGNATED WILL FINANCE 16.5 PERCENT OF THE U.S. COSTS. THE BALANCE OF 10 PERCENT OF THE TOTAL COSTS OR DOLS 9,640,000 WILL BE A CASH PAYMENT BY IBERIA. THE AIRCRAFT ARE SCHEDULED FOR DELIVERY IN 1974.

THE SECOND EXIMBANK LOAN OF DOLS 19,880,000 WILL FINANCE 40 PERCENT OF THE TOTAL U.S. COSTS OF DOLS 49.7 MILLION FOR TWO DC-10 JET AIRCRAFT WITH RELATED GOODS AND SERVICES SCHEDULED FOR DELIVERY IN MAY 1974 AND FEBRUARY 1975. ADDITIONAL FINANCING OF DOLS 16,650,000 FROM PRIVATE NON-U.S. SOURCES NOT YET DESIGNATED WILL FINANCE 33.5 PERCENT OF THE U.S. COSTS AND PRIVATE U.S. SOURCES NOT YET DESIGNATED WILL PROVIDE DOLS 8.2 MILLION OR 16.5 PERCENT OF THE TOTAL COSTS. IBERIA WILL MAKE CASH PAYMENT OF 10 PERCENT OR DOLS 4,970,000.

THE LOANS IN BOTH TRANSACTIONS ARE TO BE REPAID IN TWO SCHEDULES OF 20 SEMIANNUAL INSTALLMENTS EACH, BEGINNING NOVEMBER 10, 1974 AND AUGUST 10, 1975, FOR THE DC-10 FINANCING AND AUGUST 10, 1974 AND NOVEMBER 10, 1974 FOR THE 727 FINANCING, WITH EXIMBANK'S DIRECT LOANS TO BE REPAID OUT OF THE LAST NINE INSTALLMENTS OF EACH SCHEDULE. REPAYMENT OF EXIMBANK'S LOANS IS TO BE GUARANTEED BY INSTITUTO NACIONAL DE INDUSTRIA. ROGERS

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